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Industrial Development Board

Twelfth session

SUMMARY RECORD OF THE 1st MEETING

Held at the Vienna International Centre, Vienna,
on Monday, 9 May 1994, at 10 a.m.

Temporary President: Mrs. MACHADO QUINTELLA (Brazil)
President: Mr. EL HUSSEIN (Sudan)

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The meeting was called to order at 10.15 a.m.

OPENING OF THE TWELFTH SESSION

1. The TEMPORARY PRESIDENT declared open the twelfth session of the Industrial Development Board.

2. She thanked the members of the Board for the cooperation and trust she had enjoyed in guiding its work during a period of considerable changes in the world. At the previous session, in working groups and at the fifth session of the General Conference, topics had been discussed which had a great bearing on the prospects for a better future for UNIDO. She also thanked the Director-General, the Secretary of the Board and the staff of the Organization for the helpful assistance from which the Board and she had benefited. It had been an honour for her to preside over its work.

ELECTION OF OFFICERS

3. The TEMPORARY PRESIDENT said that she had received the following nominations: Mr. El Hussein (Sudan) for the post of President; Mrs. Ok (Turkey), Mr. Arcilla (Philippines) and Mr. Wejtko (Poland) for the posts of Vice-President; and Mr. Curia (Argentina) for the post of Rapporteur.

4. The candidates were elected by acclamation.

5. The President took the Chair.

6. The PRESIDENT expressed his deep gratitude to the Board, and especially to all its African members, for the confidence they had shown his country and himself in electing him President. His task would be greatly facilitated through the help of the Director-General, the Secretary of the Board and the other members of the Secretariat, all of whom had consistently made an effective contribution to the Board's work. He congratulated the other members of the Bureau on their election. He had every confidence that, with their cooperation, the session would be successful and promote the attainment of the

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Organization's objectives. He addressed his special thanks to the outgoing President and Bureau for their major services to UNIDO in ensuring the success of the fifth session of the General Conference.

7. The major political and economic changes taking place in the world called for a continuous response from the various components of the Organization. The general trend towards free trade and the privatization of economic activity held promise, but it also presented serious challenges, which UNIDO would have to help developing countries to meet because they lacked the necessary human, technological and financial resources to do so unaided.

8. In industrial development there was a developed North and a developing but disenfranchised South - with a broadening gap between them - and now a third category of countries, those of eastern Europe. The tendency of the countries of the North to emphasize the provision of development assistance for eastern Europe rather than the countries of the South was a source of concern to African nations, and especially to the least developed among them.

9. Although UNIDO, with its modest resources, could not perform miracles in addressing all those challenges, it was now in a better position to assist in the process because of the Director-General's excellent administrative and financial management, including his bold restructuring plans. It was encouraging that UNIDO's financial situation had improved somewhat, and he hoped that generous contributions would make it even stronger.

10. Many important decisions had been taken at the Yaoundé Conference. It was for the Board, at the present session, to translate them into activities, programmes and projects that would promote industrialization in the developing countries, and especially in the least developed countries, in accordance with the spirit and the letter of the Yaoundé Declaration.

11. The Yaoundé Conference having established a timetable and order of priorities for UNIDO's activities, it was the Board's major task at the twelfth session to plan for their implementation. He hoped that, with the cooperation of all those present, the Board would be able to arrive at solutions for all the issues on its agenda in a way which responded to the decisions taken at Yaoundé, especially in regard to the consolidation of industrial development in Africa and in the least developed countries, so many of which were in that continent.

12. In carrying out that task, the Board should bear in mind that, only six years short of the year 2000, the target of 25 per cent for the developing countries' share of world industrial production set for that year in the Lima Declaration was far from fulfilment; at present their share was only 15 per cent. That showed the magnitude of the task faced by UNIDO in helping to transfer technology to those countries, train their personnel, promote the marketing of their products and assist flows of capital, especially for their small and medium-sized enterprises, which were the backbone of progress in those countries. He himself would do all he could to further those objectives.

ADOPTION OF THE AGENDA FOR THE TWELFTH SESSION (IDB.12/1 and Add.1)

13. The PRESIDENT drew the Board's attention to the provisional agenda (IDB.12/1). It contained the items approved at the eleventh session, and also two supplementary items, namely items 9 and 10. He understood there was general agreement that those supplementary items should be included.

14. The provisional agenda (IDB.12/1) was adopted.

STATEMENT BY THE DIRECTOR-GENERAL

15. Mr. DE MARIA Y CAMPOS (Director-General) congratulated the President on his election and the outgoing President on her skilled stewardship of an unprecedented number of meetings. Her chairing of the informal contact group for the preparation of the fifth session of the General Conference had played a key role in ensuring its success. He warmly welcomed the presence of the President of that session, H. E. Mr. P. Mandeng Ambassa.

16. The main document before the Board was the annual report for 1993 (IDB.12/2), incorporating the programme performance report of the first year of the 1992-1993 biennium. A new presentation, more concise, analytical and easy to use, would be introduced for the next annual report.

17. He drew attention to the documents relating to items 6, 7, 10 and 11, which dealt, respectively, with the recommendations of the second Ministerial Symposium on the Industrialization of the Least Developed Countries (IDB.12/6), UNIDO's contribution to the System-Wide Action Plan on Drug Abuse Control (IDB.12/4), operational activities for development (IDB.12/9) and UNIDO's electronic data-processing programme (IDB.12/7). Under the last programme, IAEA had been awarded a facilities management contract for the mainframe computer.

18. The progress report on action taken pursuant to General Conference resolution GC.5/Res.18 on the future policy framework of UNIDO (IDB.12/5) had been supplemented by a conference room paper (IDB.12/CRP.4). Details were given in those documents on action taken with regard to staff resources and their allocations; the terms of reference and work processes of the new organizational setting; the cost-saving endeavours initiated and undertaken following the report of an internal task force set up for the purpose; activities relating to programming work and the identification and processing of demand for specific services in recipient countries; and the involvement of UNIDO in system-wide activities. Although the restructuring of any large organization, particularly an international one, was a complex task, he was pleased to announce that the restructuring exercise had been completed and that a leaner and more efficient Organization, reflecting the change in priorities decided on at the fifth session of the General Conference, had emerged to deal with the needs of Member States.

19. The initial staff assignments had been reviewed in recent months. A new Managing Director had assumed charge of the Administration Division. Other appointments, particularly at the middle and senior levels, were due to be finalized shortly. New terms of reference for each organizational unit had been issued in a special Director-General's Bulletin. New procedures had

also been prescribed for the design and management of UNIDO services in the form of programmes and projects. The new procedures were intended to streamline requests for services from Member States and their subsequent implementation and monitoring, ensuring effective quality assurance standards at all stages.

20. As a result of the staff reduction exercise and the restructuring of UNIDO, the current biennium had been started with 106 fewer posts than in 1993. As the severe budgetary constraints left little scope for rewarding dedicated and creative service with promotion, he was introducing a merit award scheme from the current year, especially for teams of staff members who made outstanding contributions in terms of innovation, cost-effectiveness or improvements in the public image of UNIDO. Staff training and retraining would be given high priority and the system of performance appraisal and accountability would be streamlined.

21. Teamwork and interdisciplinary consultations were being encouraged, and staff members were being involved more in UNIDO's decision-making functions. Fortnightly seminars were held on strategic industrial issues relating to UNIDO.

22. While 1994 would inevitably be a year of transition, it was essential that the new priorities and initiatives of the restructured Organization were implemented as rapidly as possible. The financial situation would continue to be a major constraint. While the position under the regular budget was relatively sound, stabilization of the operational budget was likely to prove difficult. Income under the operational budget was currently estimated at $12.6 million in 1994, largely because of the continuing decline in UNDP funding, while expenditure at current levels would result in a total of about $13.8 million for the year. He would seek to reduce expenditure as far as possible, while maintaining efficiency and quality performance. To that end, cost reduction measures would be intensified. There was, however, a great need for additional funds for operational programmes and activities in the field, and he therefore requested increased voluntary resource allocations from donor countries and institutions in line with Member States' commitment in Yaoundé to renew their political and financial support to the revitalized UNIDO. It was encouraging that some major donors, such as Austria, France and the United Kingdom, had considerably increased their Special-Purpose IDF and Trust Fund contributions and that additional contributions had been provided from two multilateral sources, the Montreal Protocol and the United Nations International Drug Control Programme. However, as some other donors had not maintained previous pledge levels, it would be difficult to counterbalance the sharp decrease in UNDP resources so that UNIDO could meet the growing demand for its services and implement its mandated priorities.

23. Priority in the post-structuring phase was being given to the sharpening of the focus of UNIDO's services. Programmes and activities were focusing on areas of priority and increased concentration, and the work programmes were based on a new format that linked each activity directly with development objectives and priorities. An important initiative was the formulation of specific priority themes based on the assessed needs of most developing countries and a realistic determination of UNIDO's capabilities and its advantages over other organizations. Such priority themes, for each of which a strategy paper would be finalized in the coming months, had been formulated for most of the Organization's principal areas of concentration. They would, of course, need to be adjusted in the light of the stated needs of Members.

24. Emphasis would also be laid on forging closer links with Member States, their Permanent Missions and their representative organizations in industry. The requisite strengthening of UNIDO's field presence would clearly call for increased participation by Member States in the funding of local UNIDO Offices. Programming missions would shortly be sent to a number of countries in various developing regions to review requirements for UNIDO's services. He had himself recently visited India, Nepal and Poland, all of which offered considerable potential for such services.

25. As recognized in the Yaoundé Declaration, top priority would have to be given to the least developed countries and to Africa, where most LDCs were located. At the eleventh session of the Conference of African Ministers of Industry, held in Mauritius in 1993, UNIDO had set out a ten-point programme for the reorientation of its activities. The programme had been expanded in Yaoundé, and several activities were in various stages of implementation in particular countries. However, the situation would have to be reviewed and further initiatives devised to ensure that the resources and potential for African industry and entrepreneurs were integrated into an effective pattern of long-term industrial growth. To that end, he intended to convene a meeting later in 1994 with the principal African development institutions, in particular the Economic Commission for Africa (ECA) and the African Development Bank (ADB), togther with the Organization of African Unity (OAU), to obtain their full support for UNIDO's initiatives, so that they could jointly address such concerns as industrial financing, mobilization of investible resources and fostering of local capabilities for self-sustained industrialization, especialy at institutional and enterprise levels.

26. South Africa was undergoing a historic change and would have to take urgent action to address the pressing needs of the majority of its population. However, the prospects for subregional and regional cooperation were greatly enhanced, and UNIDO would play its part in promoting such cooperation. It was currently finalizing a study of the impact of change in South Africa on manufacturing in the subregion. It would also be holding a workshop in Bamako, Mali, in June 1994 for the countries of the Union Economique et Monétaire Ouest Africaine (UEMOA) to review the effect of devaluation of the CFA franc on industrial enterprises in those countries and to draw up a programme of action for industrial recovery and growth.

27. With the growth in the number of LDCs each year, inequalities were growing at a time of greater interdependence, increasing the potential for social and political conflict. The recommendations of the Second Ministerial Symposium on LDCs had highlighted the crucial role of industry in that connection and identified several key aspects needing attention, including

in particular finance for industry, the principal constraint for most small- and medium-scale enterprises in those countries. It was recommended that UNIDO should give high priority to human resource development in LDCs, including training and support for local entrepreneurs, and to the promotion of investment, largely through small- and medium-scale enterprises. A revised programme of UNIDO services would be drawn up for those countries.

28. Implementation of the Special Programme for Industrial Development in the Arab Countries was proceeding satisfactorily, and detailed discussions had recently been held with major Arab development institutions and with the Executive Secretary of ESCWA. UNIDO intended to carry out a wide-ranging industrial support programme for the Palestinian people, focusing on projects that would generate employment and promote small- and medium-scale enterprises through private-sector initiatives. As soon as the programme was finalized with the Palestinian authorities, the donor community would be approached for financial support.

29. The needs of the industrially more advanced developing countries, especially in Asia and Latin America, were somewhat different. More emphasis had to be placed on the development of competitive capability in various subsectors through investment, innovative technological applications, human resource development and environment-related activities. Programmes and projects in those areas were being developed in conjunction with the authorities and national industrial associations.

30. UNIDO had provided considerable support for industrial restructuring in several transitional economies in Eastern and Central Europe. The programmes would be continued and strengthened subject to the availability of additional resources. He had just returned from an East-West Business Forum sponsored by the Polish Government, OECD and UNIDO in the framework of a ministerial conference of the Group of Seven countries and ten reforming economies. The final declaration had called for a partnership for development and the mobilization of additional resources to assist the restructuring and privatization process in the transitional economies. UNIDO expected to play a role in that regard. It would be assisted by the United Kingdom's Know-How Fund. Contributions were also expected from other sources and countries.

31. A UNIDO initiative was also planned in the Central Asian republics of the former Soviet Union. The first stage would be launched in July 1994 with external funding.

32. A major programme was proposed to forge closer links through ECDC/TCDC between more industrialized developing countries and LDCs. Various forms of international industrial cooperation would also be set in motion through consultations and expert group meetings between concerned bodies in developing and developed countries. Private-sector bodies, such as industrial associations, subsector organizations and industry-related institutions, were becoming increasingly involved.

33. UNIDO had been playing a valuable role in the area of industry-related environmental policies: transfer of environmentally sound technologies, development of "clean" production centres and assistance in ensuring safer use of toxic chemicals and hazardous waste. He requested the support of the Board and of Member States, also in other international forums, for an increased role for UNIDO in those areas.

34. A series of meetings had been initiated with other United Nations agencies and bodies, including the United Nations Secretariat, UNDP, UNCTAD and UNEP, to improve coordination. They would be followed up in the next few months.

35. The restructured Organization was off to a very good start. He was confident that UNIDO would be a far more focused and effective Organization and that the level and quality of its services would improve substantially, provided, of course, that it obtained full support and guidance from Member States and increased financial contributions from the international donor community.

ORGANIZATION OF WORK

36. The PRESIDENT noted that at previous sessions, with a view to achieving economies and ensuring the effective utilization of conference-servicing resources, the Board had decided to suspend the quorum requirement laid down in rule 32 of the rules of procedure. Under rule 80, such a decision could take effect immediately, without the prescribed 24 hours' notice, if no member objected. If he heard no objection, he would take it that the Board wished to suspend, for its twelfth session only and with immediate effect, rule 32 of the rules of procedure, on the understanding that the suspension would apply only to meetings at which no substantive decision was taken.

37. It was so decided.

38. The PRESIDENT reminded the Board of the recommendations for the conduct of business and rationalization of proceedings made by the Board at its fifth session in its decision IDB.5/Dec.46.

39. He invited the Board to take up the consideration of agenda items 4, 5, 9 and 10.

ANNUAL REPORT OF THE DIRECTOR-GENERAL FOR 1993 ON THE ACTIVITIES OF THE ORGANIZATION (IDB.12/2; IDB.12/CRP.2)

UNIDO TECHNICAL COOPERATION ACTIVITIES IN 1993 (IDB.12/8; IDB.12/CRP.1)

FUTURE POLICY FRAMEWORK OF UNIDO - ORGANIZATIONAL AND STAFF STRUCTURE (IDB.12/5; IDB.12/CRP.4)

OPERATIONAL ACTIVITIES FOR DEVELOPMENT (IDB.12/9)

40. Mr. SPETSIOS (Greece), speaking on behalf of the European Union and its member States, said that the adoption by the General Conference of resolution GC.5/18 and of the Yaoundé Declaration had marked a turning-point for UNIDO, placing it at the forefront of efforts to increase the impact of United Nations operational activities. However, the Yaoundé achievement was only the start of the reform process. He welcomed the steps taken by the Director-General since then to restructure the Organization, cut costs and reduce staff.

41. The reform, to be successful, must implement the ideas of the Director-General as set out in document GC.5/23 and approved by the General Conference. That implied further action in line with the steps defined in document IDB.12/8 on UNIDO technical cooperation activities in 1993. Those steps included a detailed determination of the UNIDO areas of concentration, and the development of the related conceptual frameworks; the precise delineation of responsibilities between the central quality assurance unit and the outposted quality assurance officers, to ensure the uniform application of quality standards; the preparation of the quality manual; the carrying out of an intensive staff development and training programme on the management of quality, based on the project cycle management methodology; and the adoption of a revised system for assessing the performance of managers and other staff and for awarding credit for teamwork. A new service management process and a more coordinated approach could be vital in achieving better quality.

42. The European Union had emphasized on previous occasions that the Director-General should use his prerogatives under the Constitution. He should continue to do so, putting the right people in the right places and bringing in new blood. The Constitution specified that the paramount consideration in the employment of staff was the need to secure the highest standards of efficiency, competence and integrity. Inevitably, some initial imbalances in the geographical distribution of the staff had occurred as a result of the restructuring, and they could not be rectified overnight. If further redundancies were required in order to improve the quality of staffing, the necessary measures ought to be taken, with due regard for the relevant rules and regulations. Further cost reductions should be achieved when possible, and he welcomed the establishment by the Director-General of a working group to examine areas where savings could be made, with a view to rationalizing the Organization's expenditure.

43. Some member countries which had been highly critical of UNIDO's performance in the past were following the reform process with interest, while maintaining a "wait and see" attitude in their relationship with the Organization. For that reason, member countries should be kept fully informed of progress in the reform effort. While recent efforts in that direction were welcome, a regular flow of information was required, and he therefore welcomed the Director-General's plans for a monthly briefing of heads of regional groups. The necessary documentation on progress towards focusing and prioritization should be made available before the next session of the Board. Members of the European Union were also anxious to receive from the Director-General a timetable for the implementation of the various elements of the reform. He emphasized that the European Union would continue to support the Director-General in the difficult decisions yet to come. The more efficient UNIDO became, the more capable it would be of attracting funds and maximizing its potential for the benefit of its recipients.

44. Turning to agenda item 4, he commended the Secretariat on the compilation of the annual report for 1993. He hoped a new and more concise format would be used in future years, in accordance with General Conference decision GC.5/Dec.9. At the same time, some thought should be given to remedying the drab and unappealing presentation of the report, with a view to improving the Organization's image. He was concerned to learn from the report that a mid-1993 review of the results of the evaluations carried out in 1992 had revealed a serious decline in project effectiveness and efficiency. He was anxious to know how the UNIDO management ensured that the recommendations contained in evaluations were actually implemented. The report mentioned overwhelming evidence of project design inadequacies during the year, but was silent on the inadequacies in project execution which had emerged from some of the project evaluations. Those shortcomings, whether attributable to lack of guidance from UNIDO Headquarters, a poor exchange of information or insufficient flexibility in adjusting project design, again highlighted the importance of quality assurance in UNIDO's project approval and execution processes. The new quality management system must ensure that not only project planners, but also managers were accountable for the quality of the Organization's technical cooperation efforts.

45. The European Union regretted the reduction of over 50 per cent in technical cooperation funds for Africa and hoped that, in its efforts to mobilize financial resources, UNIDO would give high priority to the industrialization of that continent. It welcomed the information provided in the report on UNIDO's activities for the Second Industrial Development Decade for Africa, but would have been glad of a more detailed analysis of their impact. The same criticism applied to most of chapter V on industrial operations.

46. The European Union commended the Secretariat's efforts to reduce the volume of documentation and believed that some credit was also due to Member States for their decision to rationalize the agendas of the policy-making organs. It wished to reiterate its support for the efforts made by the Director-General to transform UNIDO into a better structured and more efficient Organization capable of responding to the wishes and interests of all Member States.

47. Mr. BENATTALLAH (Algeria) said that his country saw UNIDO as a most important instrument for industrial cooperation and considered that it should be provided with all the resources it needed to enable it to operate effectively. It deserved the financial support of all Member States. Algeria for its part had made an advance payment of its contribution to the regular budget, a step significant for two reasons: firstly, because it reflected his country's support for the full implementation of the reforms under way and, secondly, because it had been taken at a time of great economic and financial difficulty. His Government had also decided to contribute some 2 million dinars to the local expenses of the UNIDO Office in Algiers, a sum that fully met UNIDO's expectations. It hoped that those steps would encourage UNIDO to acquire a better understanding of the new economic situation in Algeria and thus lead it to encourage the efforts his country was making in its transition to a market economy.

48. Turning to the annual report of the Director-General for 1993, he said he wished to make three points. First of all, following the restructuring of UNDP, the adoption of new policies and procedures and the decrease in the

allocation of resources from that source, the level of activities had only just been maintained. Secondly, while the continuing financial problems had hampered most activities, they had especially affected those in Africa, and also in the Arab States. Serious efforts should therefore be made to mobilize additional resources. Thirdly, his country was concerned to note the growing problems in the regular budget resulting from delays in or non-payment of contributions. The operational budget had also been reduced, and no real solutions had been found to offset such reductions. He hoped that UNIDO's financial position would improve rapidly now that reforms were being carried out.

49. If UNIDO could acquire greater credibility, it would be able to attract greater resources. In that connection he wished to make certain comments on its future organizational structure. First of all, he welcomed the efforts made by the Director-General to improve transparency and communication with Member States. Secondly, while understanding the need to carry out structural adjustments with all due care, he considered that the process should be completed as soon as possible. It should be borne in mind that restructuring was also intended to bring in new blood and new thinking. Increased representation of the developing countries in the senior levels of the Secretariat would be welcome, as would the correction of current geographical imbalances. Thirdly, he believed that the new procedures and methodology should be aimed at two objectives: speeding up the process of project approval by means of improved coordination among the various parties involved and improving the quality of projects, particularly high-cost ones, for it appeared that whenever large projects were involved UNIDO's expertise tended to be called in question. In that connection, he had noted the dramatic drop in project efficiency and effectiveness described in the Director-General's report. Evaluations such as those carried out with Germany should be encouraged, for the impact of projects would be the best guarantee of UNIDO's credibility. The measures envisaged by the Director-General were aimed in the right direction, but they would call for a strengthening of evaluation structures. Fourthly, with regard to industrial restructuring and rehabilitation priorities, the contribution of support and counselling services in industry in generating employment and in developing often considerable endogenous resources should not be overlooked. Fifthly, with regard to operational development activities and field representation, his country considered that the function of Director of UNIDO Office had not been integrated into the restructuring process as it should have been. The Directors of UNIDO Offices should not simply serve to transmit information or to act as some sort of agents of UNDP. Would it be possible in that connection to renegotiate the agreement with UNDP? The persons appointed to such posts should also be of a more professional type. Some of the staff at Headquarters might be encouraged to accept redeployment to the field, and it should be possible to call on locally-recruited qualified staff under certain conditions. Finally, UNIDO must continue to monitor all the types of expenses which overburdened the budget.

50. His country welcomed the encouraging development of ECDC. It intended to expand its cooperation through the International Centre for Genetic Engineering and Biotechnology in New Delhi, but regretted that the unit responsible was not sufficiently well endowed to ensure the necessary flow of information or the distribution of the expertise available in many developing countries.

51. UNIDO was a framework in which the views and interests of all Member States should be harmonized. A new balance must be struck in the restructured UNIDO if a more efficient industrial partnership of benefit to all was to be created.

52. Mr. LAVROV (Russian Federation) believed that the Board should approach its agenda at the present session in the light of the restructuring of UNIDO. The first steps had been taken to implement the decisions made at Yaoundé, the parameters for reorganizing activities had been defined, in the light of the needs of all Member States concerned, and useful changes were being introduced into the approaches to technical cooperation. Special attention should also be paid to such agreed reform components as the improvement of the quality of services provided, the establishment of true partnership relations between participants in international industrial cooperation, with due regard for the adjustment processes in other specialized agencies, and the implementation of a balanced personnel policy in the UNIDO Secretariat. The restructuring of the Organization should be completed during the current year and full-scale activities begun on a new basis.

53. With reference to UNIDO's activities in 1993, he was glad to note that the Secretariat had succeeded in implementing programme goals with reduced financial and human resources, but considered that the Organization could improve its efficiency still further. The Department of Industrial Operations had made a positive contribution towards meeting the needs of economies in transition in developing their private sectors, and the Department for Programme and Project Development had usefully supported industrial restructuring, the implementation of technical assistance projects with extrabudgetary funds and the organization of briefing sessions for industrial and business sectors. His country believed that UNIDO's activities in Europe should be strengthened, and it welcomed the transformation of the European programme into an independent structural unit mainly designed to deal with the problems of the economies in transition. It hoped that the unit would be fully operational as soon as possible and that it would develop activities which could be integrated into international efforts to support the transitional economies.

54. Although shortcomings and difficulties remained in technical cooperation activities, the first positive results of the measures taken to remedy the situation could already be seen. A system to control quality at all stages of the preparation and implementation of projects had been established, a special unit of the Secretariat would deal with the mobilization of financial resources, and long-term global industrialization forecasts, studies and reviews of industrial development were being prepared. His country supported UNIDO's research activities and believed that its activities to support industrialization in the least developed countries in the 1990s and to promote technical cooperation between developing countries should improve its technical cooperation activities as a whole.

55. As regards operational activities for development, he welcomed the part played by UNIDO in preparing documents on United Nations strategy for individual countries. UNIDO's country programmes should be more closely integrated into the common system approach in the future. Analysis of the industrial situation by country and by region, consultations on industrial policy, technology transfers and investment promotion should all be integrated into national strategies for industrial development. UNIDO's participation in implementing the objectives agreed upon in the United Nations system would enhance its co-ordinating role as regards industrial development.

56. Cooperation between Russia and UNIDO had improved greatly during the previous year. The Memorandum on Cooperation signed in July 1993 had come into operation, the Russia/UNIDO Joint Committee had been established and a decision had been taken to transform the UNIDO Centre in Moscow into an Investment Promotion Bureau.

57. His country highly appreciated UNIDO's activities with regard to efforts to attract foreign investment, privatization, the development of small and medium enterprises, economic free zones and staff training. It would do everything it could to promote greater cooperation in those areas. The investment forums held in CIS countries were of practical interest to the industrial circles of many developed and developing countries, for they opened up real opportunities to establish direct business contacts with Russian experts in unique technologies, particularly those relating to the previously closed military industrial complex now being converted to produce non-military products.

58. His country had expanded its programme of assistance to the developing countries. With its considerable experience in research and development, it was ready to help those countries with the transfer of technology. It had played an active part in the Technology Market 1993 in New Delhi and intended to do the same at a similar gathering in 1994 in Viet Nam. It believed that UNIDO should envisage holding such gatherings in Africa and in one of the countries of eastern Europe.

The meeting rose at 11.55 a.m.